



June 4, 2021

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Via email to rule-comments@sec.gov

Re: Comment in Support for Proposed Rule on Universal Proxy (File No. S7-24-16)

Dear Ms. Countryman,

I am writing on behalf of Domini Impact Investments LLC (“Domini”), an investment adviser and sponsor of a proprietary family of mutual funds, to offer our strong support for the Securities and Exchange Commission’s (“SEC” or “Commission”) proposed rule pertaining to universal proxy (“the Rule”). Since our founding in the mid-90s, Domini has focused exclusively on responsible investment products and has been a leader on proxy voting transparency, among other issues.

Corporate directors have a critical role to play in helping firms navigate the significant and growing material sustainability challenges of this century. The scope of material environmental, social and governance (“ESG”) issues as well as public expectations of firms around issues of sustainability and justice are evolving rapidly and the skills and competencies of directors must evolve as well. Critical issues include everything from biodiversity risk to human capital management to emerging technologies, cyber risk and digital rights to racial justice. Domini has engaged extensively on issues of board composition, competence and oversight because it is critical for long term performance and for delivering on our sustainability goals.

Despite this demand, new director candidates remain relatively stagnant. According to research by Heidrick & Struggles, in 2019, 72% of new board appointments among the Fortune 500 were current or former directors and 50% were current or former CEOs.¹ Only 10% were African American, 5% Hispanic, and 8% Asian/Asian American.² Only 10% reported experience with “Sustainability”. The demand for more robust competencies and representation on boards has

¹ Lepard, C. and Hanson, L. “Board Monitor US 2020” *Heidrick & Struggles* (2021). Available at: https://www.heidrick.com/en/insights/boards-governance/board_monitor_us_2020

² *Ibid*. Note: categories are those used in study.



most recently been evidenced by the Engine No. 1 campaign at Exxon, which sat three dissident candidates on the board.³

The mandatory universal proxy, as proposed in the Rule, would support investors' ability to choose their preferred combination of dissident and management nominees from both slates of nominees whether they attend a meeting in person or by proxy. Wherever and however an investor chooses to vote – in person or by proxy, on the registrant's proxy card or a dissident's card – investors should have access to the same full information, and the ability to vote for a full slate of directors. Anything less than that prevents the full exercise of our rights as shareholders and duties as fiduciaries. The Rule will reduce confusion for shareholders and provide transparency and predictability to registrants as well.

Finally, the format for annual meetings has been dramatically altered by the COVID-19 pandemic. As virtual shareholder meetings became the norm over 2020, investors' experiences trying to participate in those meetings have varied widely. While investor access to in-person voting is uneven and to some extent a source of confusion, the SEC's original intention to provide full voting rights by proxy is even more urgent.

For the reasons stated above, we support the immediate finalization of the Rule as written. We thank you for the opportunity to comment and for your attention to this important matter. We would welcome any questions or further inquiry you may have. I can be reached at cklemmer@domini.com.

Sincerely,

Corey Klemmer, CFA, Esq.
Director of Engagement

³ Hiller, J. and Herbst-bayliss, S. "Engine No. 1 extends gains with a third seat on Exxon board" *Reuters* (June 2, 2021). Available at: <https://www.reuters.com/business/energy/engine-no-1-win-third-seat-exxon-board-based-preliminary-results-2021-06-02/>